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## Before the FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

DERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of	)	OCCHETARY TO
	)	
Amendment to the Commission's	)	IB Docket No. 95-41
Regulatory Policies Governing Domestic	)	
Fixed Satellites and Separate International	)	
Satellite Systems	)	
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## **REPLY COMMENTS**

Constellation Communications, Inc. ("Constellation"), by its attorney, files these Reply Comments in response to the Commission's <u>Notice</u><sup>1</sup> proposing to eliminate the distinction between its Transborder and Separate International Satellite Systems Policies in the fixed-satellite service ("FSS").

Corporation ("Comsat") and the International Mobile Satellite Organization ("Inmarsat") should be permitted to serve the United States mobile-satellite service ("MSS") market. Constellation believes that the dominant position of Inmarsat and its signatories in the global MSS market presents significant barriers to the development of United States licensed MSS systems throughout the world. Until United States licensed MSS systems have achieved in fact the same access to spectrum and foreign markets on a worldwide basis as Inmarsat, Constellation believes that it is premature to allow Comsat or Inmarsat to serve the United States market.<sup>2</sup>

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<sup>&</sup>lt;sup>1</sup> See Notice of Proposed Rulemaking ("Notice"), FCC 95-146, released April 25, 1995.

 $<sup>^2</sup>$  See Comments of Constellation Communications, Inc. filed on June 8, 1995 in this proceeding.

Over 35 parties filed initial comments in this proceeding, mostly in support of the Commission's FSS proposals, and to some extent with respect to broadcast satellite services. Eleven of these parties expressed the same views as Constellation that the issue of the entry of Comsat and Inmarsat into the domestic MSS market is not yet ready for decision.<sup>3</sup> Only two parties expressed differing views. Comsat urges the Commission to allow it to provide both international and domestic MSS services, and to process its pending application to provide domestic MSS service<sup>4</sup> together with the application of the AMSC Subsidiary Corporation ("AMSC") to provide international MSS service.<sup>5</sup> Comsat further states that these applications raise a narrow set of competitive issues that can be addressed outside of the broader scope of the issues presented in the Notice.<sup>6</sup> Rockwell International Corporation ("Rockwell") expresses its belief that Inmarsat should be permitted to serve the United States market.<sup>7</sup> However, Rockwell acknowledges that protection against anti-competitive behavior by Inmarsat and access to foreign markets by United States MSS service providers are also necessary.<sup>8</sup>

<sup>&</sup>lt;sup>3</sup> <u>See</u> Comments of AMSC Subsidiary Corporation at 4-6, AT&T Corporation at 13-20, Capital Cities <u>et al.</u> at 17-19, Columbia Communications Corporation at 8-12, GE American Communication, Inc. at 11-15, IDB Mobile Communications, Inc. at 1-2, Loral/Qualcomm Partnership L.P. at 5-14, Motorola Satellite Communications, Inc. at 1-2, Orion Network Systems, Inc. at 4-5, TRW, Inc. at 2-3 and WorldCom, Inc. at 4. In addition, Telecomunicaciones de Mexico sees the FSS market as part of a broader bilateral consideration of all satellite services, including MSS. <u>See</u> Telecomm Comments at 16-18.

<sup>&</sup>lt;sup>4</sup> See Application File No. ITC-95-341.

<sup>&</sup>lt;sup>5</sup> See Application File No. ITC-95-280.

<sup>&</sup>lt;sup>6</sup> See Comsat Comments at 12.

<sup>&</sup>lt;sup>7</sup> See Rockwell Comments at 2.

<sup>&</sup>lt;sup>8</sup> Id., at 2-3

Constellation urges that use of current Inmarsat facilities to serve the United States market cannot be addressed as a narrow issue because of Inmarsat's dominant position in the global MSS market. The pending Comsat applications are inextricably bound to the broader issues of:

(a) the future role of Comsat and Inmarsat in the global MSS market; and (b) the implementation of United States licensed low-Earth orbit ("LEO") MSS systems in the global MSS market, which is now dominated by Inmarsat. It will take a broad rulemaking proceeding to fashion the types of protection and conditions envisioned by Rockwell as a condition of Inmarsat's entry into the domestic market. But the Commission must first establish detailed evidentiary records in a number of outstanding rulemaking and application proceedings, each of which will significantly affect the global MSS market and the implementation of United States licensed MSS systems to serve that market. The Commission will not have the necessary information on which to base a notice of proposed rulemaking that properly addresses the role of Comsat and Inmarsat in the domestic MSS market until a complete record has been established in each of those other proceedings.

The Commission should therefore proceed promptly with its proposals dealing with the FSS (as well as broadcast satellite service as appropriate) using geostationary satellites in this

<sup>&</sup>lt;sup>9</sup> In its June 8, 1995 Comments, Constellation identified the following pending matters that need to be resolved: (a) frequency coordination between geostationary MSS systems in the 1.5/1.6 GHz bands; (b) the pending applications of AMSC to provide international MSS service and Comsat to provide service within the United States using current Inmarsat facilities; (c) Comsat's application to participate in the I-CO Global Communications Limited System; (d) frequency coordination of U.S. licensed LEO MSS systems; (e) acquisition of operating and interconnection agreements by U.S. licensed LEO MSS system operators in foreign markets; (f) any technical compatibility and/or economic harm consultations under Article XIV of the Intelsat Agreement or Article 8 of the Inmarsat Agreement for United States licensed MSS systems; (g) implementation of the 1995 World Radio Conference Final Acts with respect to feeder links and the 2 GHz MSS bands; and (h) domestic implementation of the 2 GHz MSS bands in ET Docket No. 95-18.

docket. Consideration of the role of Comsat and Inmarsat in the domestic market should await the issuance of a new notice of proposed rulemaking advancing specific proposals for comment, either in this docket or in a new docket, based on the information developed in the course of the other pending proceedings related to this issue.

Respectfully submitted,

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Dated: June 23, 1995 Attorney for Constellation Communications, Inc.

## **CERTIFICATE OF SERVICE**

I, Jerold L. Jacobs, do hereby certify that the foregoing "Reply Comments" of Constellation Communications, Inc. was served by hand or first-class mail, postage pre-paid, this 23rd day of June, 1995 on the following persons:

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